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MAP - REGION 5 SUPERFUND EJ ANALYSIS



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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5

77 WEST JACKSON BOULEVARD

CHICAGO, IL 60604-3590

174642
0000003

REPLY TO THE ATTENTION OF

MEMORANDUM

SUBJECT: ACTION MEMORANDUM - Request for a Emergency Removal Action at the Outboard Marine Corporation (OMC) Site, Waukegan, Lake County, Illinois Site ID# 0528

FROM: Kenneth Theisen, On-Scene Coordinator
Response Section III

TO: William E. Muno, Director
Superfund Division

THRU: Richard Karl, Chief *RFK 12/17/02*
Emergency Response Branch

I. PURPOSE

The purpose of this memorandum is to request \$586,500 to eliminate the threats posed to public health and/or the environment, by the planned future abandonment of the OMC Site located at 200 Sea Horse Drive in Waukegan, Illinois. The over 1,000,000 sq. ft. former manufacturing facility (designated as Plant 2) of marine engines, parts and accessories, is directly adjacent to Lake Michigan, and at the time of abandonment will contain thousands of gallons of hydraulic oil, some of which contains high concentrations of PCB's (polychlorinated bi-phenols). In addition, areas of the building's interior contain high concentrations of air borne PCB which are in concentrations in excess of the NIOSH (National Institute of Occupational Safety and Health) industrial air standard of $1\text{ug}/\text{m}^3$ (highest $1.7\text{ug}/\text{m}^3$). This contamination is documented on the floors in the metal working area and on the numerous machines in the area. The highest level recorded on a machine is $36.9\text{ug}/100\text{sq. cm.}$, while the highest level recorded on the floor is $38.8\text{ug}/100\text{sq. cm.}$ These levels are in excess of the NIOSH standard, which is $10\text{ug}/100\text{sq. cm.}$

Also, an area outside the building known as the "chip ringer" area, contains PCB oil in a storm sewer, with a concentration of 112 ppm. This criteria poses an immediate threat to Lake Michigan as well as to those who would inhabit, work or trespass in the building after abandonment occurs.

This proposed removal action will immediately follow a planned abandonment of Plant 2 as dictated in a negotiated settlement between the Department of Justice, U.S. EPA Region 5,

the State of Illinois, the Trustee and the U.S. Bankruptcy Court for the Northern District of Illinois, Eastern Division. Please refer to the Enforcement Confidential Addendum (Attachment II) for complete details.

The OMC Site is on the National Priorities List for work associated with a PCB dredging project in Waukegan Harbor under a federal Consent Decree signed in 1988. The PCB contaminated sediment dredged from the harbor was placed into three containment cells located on Plant 2 property.

These containment cells rely on a slurry wall to contain the PCB dredged material and a "pump and treat" system to treat any accumulated liquids within the cells. Operation and maintenance of the cells and slurry wall have been the responsibility of OMC and since the bankruptcy, the court appointed Trustee. Once the Trustee is allowed to abandon the facility, the electricity to power the pump and treat system will be terminated, and the contractor who operates the system for the Trustee will be let go. These containment cells cannot be allowed to deteriorate and the fact that O & M of the cells is about to be discontinued in itself constitutes an imminent and substantial endangerment to the adjacent Lake Michigan.

II. SITE CONDITIONS AND BACKGROUND

CERCLIS ID# = ILD000802827

A. PHYSICAL LOCATION AND DESCRIPTION

The OMC Site is located in the city of Waukegan, Lake County, Illinois. The site coordinates are Latitude 42° 22' 8.6" North and Longitude 87° 49' 10.1" West.

The OMC property consists of Plant 1 (now owned by Bombardier Motor Corporation, a Canadian Company), Plant 2 and a few other much smaller buildings on 124 acres. The removal, as recommended in this memorandum, only includes Plant 2. The plant 2 Site is bordered by North Ditch and the North Shore Sanitary District to the north, to the public beaches of Lake Michigan to the east, by Sea Horse Drive to the south and by a railroad to the west.

B. ENVIRONMENTAL JUSTICE ANALYSIS

In Illinois, the low income percentage is 27% or greater and the minority percentage is 25% or greater. To meet the Environmental Justice (EJ) criteria, the area within one mile of the site must have a population that is twice the state low income percentage and/or twice the state minority percentage. That is, the area must be at least 54% low income and/or 50% minority. At this site, the low income percentage is 44% and the minority percentage is 55%, as determined by Land View III EJ analysis. Therefore, this site does meet the Region's EJ criteria based on demographics as identified in Region 5's "Interim Guidelines for Identifying and Addressing a Potential EJ Case," June 1998.

C. BACKGROUND

On December 22, 2000, OMC filed for Chapter 11 federal bankruptcy protection and ceased all operations. Bombardier Motor Corporation, a Canadian Company, bought out OMC (but only the assets in Plant 2) on February 5, 2001. Bombardier planned to sell, or move to a new facility in Wisconsin, many of the assets it bought. On August 9, 2002, the court entered an order converting the Debtor's case to a Chapter 7 case under the bankruptcy code. The court-appointed Trustee filed a petition to abandon the property on November 15, 2001.

As a result of this pending abandonment and a Resource, Conservation and Recovery Act (RCRA) Preliminary Assessment/Visual Site Inspection (PA/VSI) done at the site in July of 2001, in which many hazardous substances were found at the site, the Emergency Response Branch was asked to perform a comprehensive site investigation. This inspection would address all avenues of exposure to determine if an imminent and substantial endangerment to public health and/or the environment existed.

Plant 2 has existed for over 50 years, during which it housed various aspects of the building of marine engines. Throughout the 60's and into the 70's, the plant used hydraulic oil containing PCBs as part of its die cast operations. This oil was collected, the aluminum chips removed in the "chip ringer" area, and the oil reused in a continuous loop type of process. In addition, the OMC facility used copious amounts of TCE (trichloroethylene) as a degreaser, and a very large vapor degreaser once operated at the site.

On March 4-6, 2002, the U.S. EPA and its contractor collected numerous samples from the ambient air, drums and tanks, monitor wells, sediment from the North Ditch, soil, insulating materials, air and surface area (wipe samples) in the plant. In total, over 150 samples were collected in the 3-day site investigation. Results of the inspection show the presence of hazardous materials, including radioactive materials, hydrofluoric acid, metallic mercury, flammable liquids, chlorinated solvents, PCBs (in 2 dozen large PCB laden transformers) and asbestos. Two air samples contained PCBs above the NIOSH standard of 1 ug/m³. In addition, numerous wipe samples taken from machines and floors contained PCB above the NIOSH industrial standards of 10ug/100sq.cm, with the highest being recorded at 38.8 ug/100 sq. cm.

As a result of the analytical data found in the report entitled "Outboard Marine Corporation: Discovery Site Visit Report", U.S. Department of Justice (DOJ), U.S. EPA's Office of Regional Council, along with the State of Illinois Attorney General's Office, and the Trustee to the bankruptcy court, agreed on a settlement which required the Trustee to take certain actions before it could abandon the site. In this settlement, which is meant to only address the most obvious threats to the public at the site, the Trustee has agreed to remediate the following items:

1. The removal and proper disposal of all drums and containers and the draining of all tanks in Plant 2.

2. The draining and flushing of all transformers found in Plant 2.
3. The draining and the disposal of all the contents of, the die cast machines and other pieces of equipment found in Plant 2.
4. The removal and disposal of all batteries and capacitors found in Plant 2.
5. The pumping and disposal of all liquids in the sump/cistern inside the chip wringer room and outside the chip wringer room in the storm sewer.
6. The decontaminating of all die cast machines, machines in the metal working area and the proper disposal of all collected liquids.

The above work has been completed. Plant #2 was declared abandoned on December 10, 2002 by the Bankruptcy Court. The threats to public health and/or the environment are the subject of this memorandum are remain on the site..

III. THREATS TO PUBLIC HEALTH, WELFARE, OR TO THE ENVIRONMENT, AND STATUTORY AND REGULATORY AUTHORITIES.

The conditions at the OMC Site present an imminent and substantial threat to the public health, or welfare and the environment and meet the criteria for a removal action provided for in the National Contingency Plan (NCP) Section 300.415 (b)(2), 40 C. F. R § 415 (b)(2)(i), and (v), respectively allows removal actions for:

a. Actual or potential exposure to hazardous substances or pollutants or contaminants by nearby populations, animals or food chain.

The presence of PCB-contaminated floors and possibly some machinery in large expanses of the building, problems that will not be addressed by the Trustee, pose a health threat to anyone entering the building. This is particularly true of any trespassers who will only serve to further contaminate additional areas of the building by tracking the PCB contaminated hydraulic oil to previously uncontaminated areas. Also, air samples taken by the EPA indicating the presence of volitized PCB above the NIOSH standard of 1 ug/m³, indicates an additional public health threat.

b. Hazardous substances or pollutants or contaminants in drums, barrels, tanks or other bulk or storage containers, that may pose a threat or release.

The presence of PCB-contaminated hydraulic oil in tanks, and pipelines in the "pipe chases" at the OMC facility have the potential of being released by trespassers and vandals, once the facility is abandoned by the Trustee. The OMC facility is located on the shores of Lake Michigan and any release of the hazardous materials left at the plant could end up in the Lake. Addressing these below grade threats is not required under the negotiated agreement between the EPA and the

Trustee.

c. Actual or potential contamination of drinking water supplies or sensitive ecosystems.

The presence of high levels of PCBs in the "chip wringer area," both inside and outside the facility, as well in the containment cells (assuming they are not operated and maintained) presents a serious threat to public health and/or the environment. PCB concentrations of 112 ppm (parts per million) were confirmed in a storm sewer outside the chip wringer room. A release from this sewer could possibly reach North Ditch, which leads to Lake Michigan. The presence of PCB in sediment in North Ditch indicates that releases have already occurred in the past.

In addition, Plant 2 is located in a sensitive ecosystem of state-endangered aquatic/riparian zone vascular plants. The presence of PCBs in the sediment of North Ditch, and the presence of TCE (trichloroethylene) with concentrations documented as high as 383 ppb in monitor wells adjacent to North Ditch, all point toward a high risk to the plants in this eco-sensitive area. In addition, a release of PCBs would present a potential threat to drinking water as supplied by the adjacent Lake Michigan to many of the communities in the area.

d. The availability of other federal or state mechanisms to respond to the release.

The bankruptcy court agreement negotiated between the Trustee, U.S. EPA, U.S. DOJ, and the State of Illinois has spelled out what clean-up activities the Trustee is responsible for. This Action Memo is to provide funds for those items that the Trustee is not responsible for and which still pose the imminent and substantial threat to public health and/or the environment after the Trustee abandons the Site. Neither the City of Waukegan nor the State of Illinois has expressed any desire to perform the cleanup activities documented in this Action Memo.

IV. ENDANGERMENT DETERMINATION

Given the Site conditions, the nature of the suspected hazardous substances on Site, and the potential exposure pathways described in Sections II and III above, actual or threatened releases of hazardous substances from this Site, if not addressed by implementing the response actions selected in this Memorandum, present an imminent and substantial endangerment to public health, welfare or the environment.

V. PROPOSED ACTIONS AND ESTIMATED COSTS

The following actions are proposed to remediate the threats to public health and/or the environment at the OMC Site:

1. Remove, transport and dispose of various hydraulic oils, some of which are PCB-contaminated in the tunnels under the "new die cast" area.

2. Decontaminate the floors of certain areas that are contaminated with PCBs, above the NIOSH standard.
3. Check and drain all pipe lines that contained hazardous materials, to insure they are empty.
4. Investigate the "chip wringer" area for additional PCB oil.
5. Pump and treat all water generated from the tunnels.
6. Provide electricity to the three PCB containment cells found on-site, retro-fit the systems with improved and more efficient equipment, and provide for support (up to one year) to supervise their operation.

It is estimated that the removal will take six weeks to complete.

EXTRAMURAL COSTS

| | |
|--------------------------|-----------|
| Cleanup Contractor Costs | \$400,000 |
| Contingency (15%) | \$ 60,000 |
| START | \$ 50,000 |
| Subtotal | \$510,000 |
| Contingency (15%) | \$ 76,500 |
| TOTAL PROJECT | \$586,500 |

A detailed contractor cost breakdown is available as Attachment I.

The removal action will be taken in a manner not inconsistent with the National Contingency Plan (NCP). The FOSC (Federal On-Scene Coordinator) has initiated planning for provisions of post-removal site control consistent with the provisions of Sections 300.415 (9)(1) of the NCP. Any operational and/or maintenance undertaken as a result of this action will be conditional and only be undertaken as a result of an unsuccessful litigation with the Trustee. In that case, either the Remedial program or the State of Illinois will assume the operational and maintenance efforts. Documentation to that effect is in the Administrative record.

The response actions described in this Memorandum directly address actual or threatened releases of hazardous substances, pollutants, or contaminants at the Site which may pose an imminent and substantial endangerment to public health and welfare or to the environment. These response actions do not impose a burden on the affected property disproportionate to the extent to which that property contributes to the conditions being addressed.

All applicable and relevant and appropriate requirements (ARARs) of federal and State law will

be complied with to the extent practicable. Direct communications have been maintained with the State of Illinois Office of the Attorney General, who in fact agreed to the negotiated settlement entered by the bankruptcy court. Any State ARARs identified in a timely manner will be complied with to the extent practicable.

VI. EXPECTED CHANGE IN THE SITUATION SHOULD ACTION BE DELAYED OR NOT TAKEN.

A delayed or non-action will result in a possible exposure to those who would trespass in the former OMC facility. In addition, the City of Waukegan may in the future take possession of Plant 2 for the purpose of utilizing its storage possibilities. The facility is over 1,000,000 sq. ft. in area and is literally impossible to secure. The plant will have no power, as well as no security. The PCB-contaminated oils will be an attractive target to vandals, and to kids who would enter the facility. In addition, the PCB-contaminated and abandoned hydraulic oil will be a possible target for a release, putting Lake Michigan at risk as well as to the drinking water source of many communities.

VII. OUTSTANDING POLICY ISSUES

None

VIII. ENFORCEMENT

For administrative purposes, information concerning the enforcement strategy for this Site is contained in the Enforcement Confidential Addendum (Attachment II).

The total EPA costs for this removal action based on full-cost accounting that will be eligible for cost recovery are estimated to be:¹ $(\$586,500 + \$11,160) + (39.21\% \times \$597,660) = \$832,002$

Direct costs include direct extramural costs and direct intramural costs. Indirect costs are calculated based on an estimated indirect cost rate expressed as a percentage of site-specific direct cost, consistent with the full cost accounting methodology effective October 2, 2000. These estimates do not include pre-judgment interest, do not take into account other enforcement costs, including Department of Justice costs, and may be adjusted during the course of a removal action. The estimates are for illustrative purposes only and their use is not intended to create any rights for responsible parties. Neither the lack of a total cost estimate nor deviation of actual total costs from this estimate will affect the United States right to cost recovery.

IX. RECOMMENDATION

This decision document represents the selected removal action for the OMC Site located in Waukegan, Illinois. This document had been developed in accordance with CERCLA as amended and is consistent with the NCP. This decision is based on the Administrative Record for the site (see Attachment III). Conditions at the site meet the NCP Section 300.415 (b)(2) criteria for a time critical removal action and I recommend your approval of the proposed action. The total project cost, if approved, will be \$586,500, of which \$536,500 may be used for the cleanup contractor costs. You may indicate your decision by signing below.

APPROVE: W. E. My DATE: 1/23/03
Director, Superfund Division

DISAPPROVE: _____ DATE: _____
Director, Superfund Division

Attachments: I.. ERRS Contractor Costs
II. Enforcement Confidential Addendum
III. Administrative Record Index
IV. IEPA letter

Figure: I.. Location Map

cc: Ray Worley, U.S. EPA, 5202-G
M. Chezik, U.S. DOI, w/o Enf. Addendum
R. Cipriano, IEPA, w/o Enf. Addendum

ATTACHMENT I

ERRS CONTRACTOR COSTS

**OUTBOARD MARINE CORPORATION (OMC) SITE
WAUKEGAN, LAKE COUNTY, ILLINOIS**

**HAS BEEN REDACTED
(2 PAGES)**

NOT RELEVANT TO THE SELECTION OF THE REMOVAL ACTION

ATTACHMENT II

ENFORCEMENT ADDENDUM

**OUTBOARD MARINE CORPORATION
WAUKEGAN, ILLINOIS**

ENFORCEMENT CONFIDENTIAL
NOT SUBJECT TO DISCOVERY

(REDACTED 1 PAGE)

NOT RELEVANT TO THE SELECTION OF THE REMOVAL ACTION

ATTACHMENT III

U.S. ENVIRONMENTAL PROTECTION AGENCY REMOVAL ACTION

ADMINISTRATIVE RECORD FOR OUTBOARD MARINE CORPORATION (OMC) SITE WAUKEGAN, LAKE COUNTY, ILLINOIS

**ORIGINAL
JANUARY 22, 2003**

| <u>NO.</u> | <u>DATE</u> | <u>AUTHOR</u> | <u>RECIPIENT</u> | <u>TITLE/DESCRIPTION</u> | <u>PAGES</u> |
|------------|-------------|---------------------------|-----------------------|--|--------------|
| 1 | 05/10/02 | Tetra Tech EM, Inc. | U.S. EPA | Discovery Site Visit Report for the Outboard Marine Corporation Site | 329 |
| 2 | 12/18/02 | King, G., Illinois EPA | Karl, R., U.S. EPA | Letter re: Illinois EPA's Intent to Comply with Requirements of 40 CFR 300.435(f) for the Outboard Marine Corporation Site | 1 |
| 3 | 00/00/00 | Theisen, K., U.S. EPA | Muno, W., U.S. EPA | Action Memorandum: Request for an Emergency Removal Action at the Outboard Marine Corporation (OMC) Site (PENDING) | |



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19276, SPRINGFIELD, ILLINOIS 62794-9276
JAMES R. THOMPSON CENTER, 100 WEST RANDOLPH, SUITE 11-300, CHICAGO, IL 60601

ROD R. BLAGOJEVICH, GOVERNOR

RENEE CIPRIANO, DIRECTOR

217-785-3397

December 18, 2002

Reissued: January 17, 2003

Mr. Richard C. Karl
United States Environmental Protection Agency
77 West Jackson Boulevard
Mail Code: SE-4J
Chicago, Illinois 60604-3507

Re: 0971900017 – Lake County
Outboard Marine Corporation
Superfund-Technical Reports

Dear Mr. Karl:

The purpose of this letter is to provide written confirmation of the Illinois Environmental Protection Agency's (Illinois EPA) intent to comply with the requirements of 40 Code of Federal Regulations (CFR) 300.435(f) for the Outboard Marine Corporation National Priorities List (NPL) Site in Waukegan, Illinois.

40 CFR 300.435(f) requires that a State must provide its assurance to assume the Operation and Maintenance (O&M) responsibilities at NPL sites, including, where appropriate, requirements for maintaining institutional controls, under 40 CFR 300.510(c) where the remedial action objectives and remediation goals as stated in the Record of Decision have been met and the remedy has been determined to be operational and functional. A remedy is determined to be operational and functional (as defined at 40 CFR 300.435(f)) as either one year after construction is complete, or when the remedy is determined concurrently by U.S. EPA and the State to be functioning properly and is performing as designed, whichever is earlier. U.S. EPA may grant extensions to the one-year period, as appropriate.

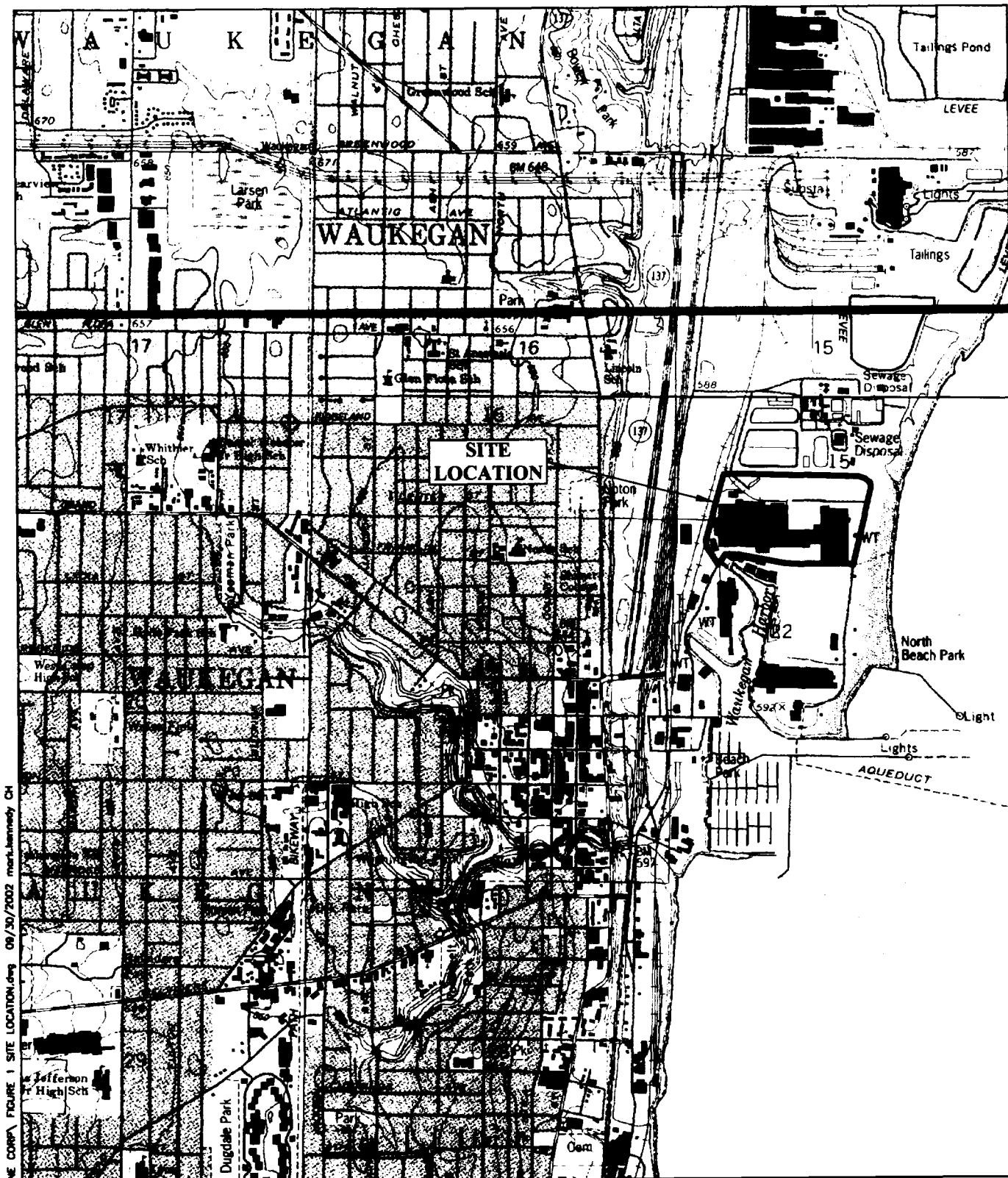
A joint final inspection to verify whether the remedy is operational and functional at the Outboard Marine Corporation NPL Site is tentatively scheduled for October 1, 2003. If Illinois EPA and U.S. EPA determine concurrently that the remedy is operational and functional at that time, Illinois EPA will then assume responsibility for the O&M effective December 11, 2003.

If you should have any questions or require any additional information or assistance regarding this matter, please contact Erin Rednour of the National Priorities List Unit at 217-785-8725.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary P. King".

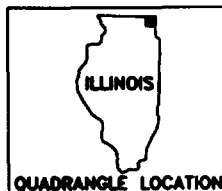
Gary P. King, Manager
Division of Remediation Management
Bureau of Land



G:\G\9009\LD202004-OUTBOARD MARINE CORP\FIGURE 1 SITE LOCATION.dwg 09/30/2002 mark.kennedy CH



0 1000 2000
SCALE IN FEET



OUTBOARD MARINE CORPORATION
WAUKEGAN, LAKE COUNTY, ILLINOIS
S05-0202-004

FIGURE 1
SITE LOCATION

Tetra Tech EM Inc.

SOURCE: MODIFIED FROM USGS, 1983 a and b

Region 5 Superfund EJ Analysis

OMC Site Waukegan, IL

